

National Intelligence Council

3 February 1982

NOTE FOR: Dixon Davis

THROUGH : Harry Rowen

FROM : Dave Gries *DG*

The NID is getting thicker and thicker.
Would you consider substituting a news summary
for the Table of Contents to enhance interest
and save the reader time? The New York Times
has been doing this successfully for years.

News Summary

MONDAY, FEBRUARY 1, 1982

International

Poles fought with the police in Gdansk in violent clashes in which more than 200 people were arrested and 14 injured, the Warsaw radio said. The fighting broke out despite official appeals for calm on the eve of new food price increases. The governing military council ordered a stricter curfew in Gdansk aimed at clearing the streets from 10 P.M. to 5 A.M. It also suspended all public entertainment and sports and banned private cars from the roads. [Page A1, Column 6.]

\$71 million in U.S.-guaranteed loans to Poland will be paid off by the Administration without requiring the American banks that hold the loans to declare that Poland is in default. The decision would presumably also apply to \$396.5 million of guaranteed debt that Poland owes by the end of the year. The money is part of a total of \$1.6 billion in loans to Poland that the Agriculture Department made or guaranteed to finance grain exports. The decision to avoid a formal declaration of default was reached at inter-agency meetings of sub-Cabinet officials in the last two weeks. [A1:5.]

U.S. military aid to Egypt and Israel would be increased by the Reagan Administration. Congress will be asked to increase Egypt's allotment by \$400 million and Israel's by \$300 million in the next fiscal year. [A1:4.]

Troops from four European countries will participate in the Sinai peace-keeping force called for by the Camp David accords and the Israeli-Egyptian peace treaty to insure the continued demilitarization of Sinai after Israel completes its withdrawal on April 25. A United Nations-sponsored peacekeeping force had been proposed, but this was blocked in the Security Council by the Soviet Union. The alternative of troops provided by Britain, Italy and the Netherlands was

agreed to by the Israeli Cabinet after weeks of argument. [A1:2-3.]

Central America's political stability is threatened as much by world recession as the region's extremist violence. Its rural-based economies have been ravaged by a combination of rising oil import bills, low commodity export prices, high interest rates and an acute shortage of foreign credit. Per capita income fell sharply in every country except Panama. [A1:3-5.]

19 Salvadoran civilians were routed from their homes in a suburb of San Salvador by armed men in uniforms and shot to death, according to relatives who identified the assailants as Government troops. The Salvadoran Army, in an apparent reference to the same incident, characterized the slayings as part of an operation to clear out leftist guerrilla hide-outs. [A6:1-2.]

China is willing to discuss phasing out of American military aid to Taiwan with the United States. The official New China News Agency indicated that China might settle for a mutually agreed phasing out of weapons deliveries to Taiwan rather than an immediate end. The agency appeared to confirm reports that the Chinese in private discussions with American officials had proposed setting some kind of deadline. [A3:4-6.]

National

A C.I.A. internal investigation into its possible links to two former agents who sold their services to Libya will be examined in closed hearings by the House Intelligence Committee to determine whether the agency made an adequate investigation, according to people familiar with the committee's work. The C.I.A. investigation, conducted in 1976 and 1977 to find whether any agency officials helped establish a terrorist training project in Libya, may have failed, these sources

said, to examine all possible sources of information. [A1:6.]

Teachers are being tested before being assigned classes in a growing number of states, in an effort to provide better teachers and counter increasing dissatisfaction with the nation's public schools. [A1:1-2.]

A resolution adopted by Republicans in California moved a step closer to a recall drive against Chief Justice Rose Bird of the California Supreme Court. The resolution, adopted at the Republicans' convention in Monterey, was provoked by a state Supreme Court decision Thursday that cut the ground from under a successful Republican referendum drive. That sought to keep reapportionment plans for the districts for the Legislature and House of Representatives from going into effect before the primary election June 8. The new district lines favor Democratic candidates. [A8:1.]

Helen Merrell Lynd died in Warren, Ohio, at the age of 85. Mrs. Lynd was co-author with her late husband, Robert S. Lynd, of the sociological landmarks "Middletown" and "Middletown in Transition." In addition to writing scholarly works in social psychology and history, Mrs. Lynd was instrumental in developing the educational philosophy of Sarah Lawrence College, in Bronxville, N.Y. She taught there from 1928, when the college opened, to 1964. [B4:3-4.]

Metropolitan

A New York City transit fare rise of a nickel or more on buses and subways, plus increases in commuter rail fares, may follow new Federal budget cuts expected to be announced next Monday, transit officials said. [A1:1.]

Manhattan's garment district is establishing its own security program after a sharp increase in thefts last year, which were up 22.6 percent over 1980. The self-help security program is led by Sanford Garelik, who had been New York City's top uniformed police commander. [B3:5-6.]

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News Summary

TUESDAY, FEBRUARY 2, 1982

International

Tightened security overseas has been imposed by United States intelligence-gathering officials because of the loss of sensitive documents in the 1979 seizure of the American Embassy in Teheran, according to senior intelligence officials. They said that the activities abroad were increasingly being conducted under the cover of private commercial organizations rather than official United States diplomatic missions. [Page A1, Column 6.]

Reports that a major massacre of civilians took place in a Salvadoran village in December were disputed by the Reagan Administration as it announced it was about to send \$55 million in emergency military aid to that country. The grant does not require Congressional approval. [A1:3-5.]

The place where Aldo Moro was held before the Red Brigades executed the former Prime Minister in 1978 was pinpointed by the Italian authorities for the first time. The site, an apartment in a Rome suburb, was identified in information obtained from terrorists involved in the kidnapping of Brig. Gen. James L. Dozier. [A6:3-4.]

South African curbs on journalists were proposed by an official commission in Cape Town. Under the plan, the publication of any article by a journalist not licensed by a new Government panel would be illegal. The commission said that such a measure was necessary to thwart a Soviet campaign seeking "the political and moral subversion of the white man." [A7:1.]

National

President Reagan pledged flexibility in charting the details of his proposed "New Federalism" program. The White House said Mr. Reagan had assured several governors that he would weigh their opinions on ways to help

some states pay for social services that would be their responsibility if Congress approved the plan. [A1:6.]

General Motors reported a profit of \$97 million for the fourth quarter of 1981 and a profit of \$333 million for the entire year, despite a continuing decline in the sale of cars and trucks. G.M. also announced a series of high-level management changes. [A1:4.]

A rise in a key interest rate drew the concern of some bankers. They expressed their fears after Citibank, the nation's second largest bank, raised its prime lending rate by three-quarters of a percentage point, to 16½ percent. The action reversed a downward trend in short-term rates that began last July. [A1:2-3.]

Job seekers arriving in the Rockies have been cruelly disappointed over reports of available jobs in the energy belt. Openings in the oil and natural gas fields usually call for specialized skills that nearly all the new arrivals lack. In Salt Lake City, the number of vagrants has increased to 800, the authorities say, a rise of 400 percent in the last year or so. The influx has strained local welfare resources, and misdemeanors are increasing. [A1:6.]

The third major winter storm buffeted the Middle West and then plodded across Pennsylvania and New York into New England. The Middle West and areas in the Northeast were paralyzed by snow drifts, power failures, closed schools, empty business districts and icy flood waters. [A12:1-3.]

Increasing reports of violent crime have seemed more and more shocking, prompting mounting fear among Americans. However, social scientists who take the long and comparative view are more inclined to view the wave of violent crime as a momentary upsurge that may already have crested, and many criminologists believe

that the national trend will be downward in the next decade. [C1:1-6.]

Metropolitan

Warnings on the methadone program were expressed by a New York State legislative review commission. It said that the methadone, which is dispensed as a substitute for heroin, might be contributing to drug overdoses and deaths through illegal sales to addicts. The bipartisan panel said that the program had reduced the number of crimes committed by those in treatment, but it also reported that few of the patients had been freed of drug dependence. [A1:1.]

A coin toss for a jail sentence was reported in Manhattan. District Attorney Robert M. Morgenthau said the action — ordered last week by Judge Alan I. Friess in a pickpocket case in Criminal Court — was "outrageous." The defendant won the toss and got 20 days in jail instead of 30 days. Judge Friess was censured last year by a state panel for releasing a woman charged with murder on her own recognizance and then inviting her to stay overnight in his home. [A1:1-2.]

Higher property-tax assessments were reported in tentative figures by New York City. It said that the assessed value of taxable property increased by more than \$2.5 billion last year. About 75 percent represents increases in Manhattan office property, but assessments also rose for more than 105,000 one- and two-family houses, most in Queens. [B1:5-6.]

Alfonse M. D'Amato was cleared by the Justice Department of any violation of Federal laws in obtaining \$133,000 in loans for his 1980 campaign. The department said it had closed its inquiry into the loans made to the Senator from New York. [B3:4-6.]

The Republican gubernatorial race widened in New York State. The third announced aspirant is Richard M. Rosenbaum, a Republican national committeeman who is a former G.O.P. state chairman. [B2:3-6.]

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